

# South Carolina Board of Economic Advisors

## Statement of Estimated State Revenue Impact

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**Date:** May 22, 2007

**Bill Number:** H.B. 3643

**Author:** Vick

**Committee Requesting Impact:** House EPW

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### Bill Summary

A bill to amend Section [56-3-8100](#), as amended, Code of Laws of South Carolina, 1976, relating to the production and distribution of special license plates by the Department of Motor Vehicles (DMV), so as to provide that the Department shall produce and distribute the Korean War Veterans special license plate without first receiving prepaid applications for the license plate or a four thousand dollar fee, and a plan to market the license plate.

### REVENUE IMPACT <sup>1/</sup>

This bill is expected to raise DMV earmarked funds by \$712.50, and also raise Motor Vehicle License revenues within the state General Fund by \$787.50 in FY 2007-08.

### Explanation

The "Korean War Veterans" special license plate was authorized in Section 14 of Act 398 of 2006, effective September 7, 2006. In order to facilitate its production this bill adds language to exempt prerequisites under Section 56-3-8100 that require a minimum of 400 prepaid applications or a \$4,000 deposit by a sponsoring organization or individual, and an approved marketing plan.

It normally takes nearly six months to complete design and production review for a new special license plate, even with full support from a sponsoring entity. As of this date, DMV has received no information to initiate production of this plate, to include a design proposal. Thus, the plate should not be available for purchase before calendar year 2008. Based solely on receipt of prepaid applications, we expect no more than 75 plates, at a special fee of \$20, would be issued in FY 2007-08. Multiplying \$20 times 75 yields \$1,500 in special fees in FY 2007-08. Of this amount, DMV would receive \$712.50 for production costs, based on an estimate of \$9.50 per plate. The balance of \$787.50 would go to Motor Vehicle Licenses within the state General Fund.

**Analyst:** Di Biase

/s/ William C. Gillespie

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Chief Economist

<sup>1/</sup> This statement meets revenue impact requirements of Section 2-7-71 for a state impact by BEA, Section 2-7-76 for a local impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by Office of Economic Research (OER).